

**GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

IN RE: LUMA'S ACCELERATED STORAGE
ADDITION PROGRAM

CASE NO.: NEPR-MI-2024-0002

SUBJECT: Resolution and Order regarding *Motion to Submit ASAP SO2 Master Template Agreement in Compliance with Resolution and Order of January 14, 2025, and Update on ASAP Program Implementation and Request for Confidential Treatment; Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 1 Submitted on January 31, 2025*, filed by LUMA Energy, LLC and LUMA Energy ServCo, LLC.

RESOLUTION AND ORDER

I. ASAP SO2 Agreement Submittal (February 7 Motion)

On December 19, LUMA¹ filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion to Submit Proposed Standard Offer Phase 2 Agreement in Compliance with Resolution and Order of December 4, 2024, and Request for Confidential Treatment* ("December 19 Motion"), whereby LUMA submitted the draft version of the ASAP Phase 2 Standard Offer Agreements ("SO2 Agreements") for the Energy Bureau's review.

ASAP
Upon review of the Proposed Standard Offer Phase 2 Agreement, the Energy Bureau authorized its terms and ordered LUMA to distribute the Phase 2 SO Agreements immediately to potential participants and to initiate negotiations. In addition, the Energy Bureau ordered LUMA to file the final version of the SO2 Agreements, on or before February 7, 2025, for our review and approval.

JM
AM
On February 7, 2025, LUMA filed a document titled *Motion to Submit ASAP SO2 Master Template Agreement in Compliance with Resolution and Order of January 14, 2025, and Update on ASAP Program Implementation and Request for Confidential Treatment* ("February 7 Motion"). In its February 7 Motion, LUMA informed the Energy Bureau it had distributed the SO2 Agreements to 31 potential candidates and, as of February 5, 2025, IPPs² for 12 separate power generation sites have expressed interest in reviewing the SO2 Agreement, while others have requested clarifications and are still reviewing the agreements.³ LUMA further informed that it had not identified a need to perform any revisions to the draft proposed SO2 Agreement submitted before the Energy Bureau and maintained that if any revisions were identified it would promptly notify the Energy Bureau.⁴ According to LUMA, the only anticipated changes are those needed to conform the agreements to the specific information of the participants and LUMA for their projects.⁵ With respect to the estimated costs of interconnection improvement works for the Phase 2 sites, LUMA indicated that a definite number cannot be provided until each of the specific sites is visited and the feasibility study is completed to confirm what improvements will be required, if any.⁶

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

² Independent Power Producers ("IPPs").

³ February 7 Motion, p. 12, ¶ 25.

⁴ *Id.*, p. 13, ¶ 27.

⁵ *Id.*

⁶ *Id.*, ¶ 28.



LUMA also provided a status update identifying the next steps of ASAP implementation, including a schedule of upcoming tasks and activities ("Exhibit 1"). In addition, LUMA submitted the SO2 Master Template Agreement ("Exhibit 2"). LUMA requested the Energy Bureau maintain Exhibits 1 and 2 under confidential treatment, noting it will be submitting a memorandum of law supporting this request within the next ten (10) days.

II. Confidentiality Request (February 10 Motion)

On January 31, 2025, LUMA filed a document titled *Informative Motion and to Submit Estimate of Costs for ASAP in Compliance with Resolution and Order of January 14, 2025, and Request for Confidential Treatment* ("January 31 Motion"), whereby it provided Exhibit 1 under confidential treatment, noting it would submit a memorandum of law supporting this request within ten (10) days.

On February 10, 2025, LUMA filed a document titled *Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 1 Submitted on January 31, 2025* ("February 10 Motion"). LUMA requested that Exhibit 1 to the January 31 Motion be kept confidential on the grounds of containing trade secrets and submitted as Exhibit A to the February 10 Motion a redacted public version of Exhibit 1 of the January 31 Motion.

III. Conclusion

The Energy Bureau **CONDITIONALLY APPROVES** the SO2 Master Template Agreement. The final approval of the Phase 2 projects is subject to the completion of the interconnection feasibility studies and the evaluation of costs associated with interconnection works.

The Energy Bureau **ORDERS** LUMA to provide all cost information (incurred and projected) as soon as it becomes available. Once the Energy Bureau receives this information, it will assess whether the agreed prices align with the public interest and are reasonable. The Energy Bureau will then issue further determinations, including any necessary steps involving the Puerto Rico Electric Power Authority ("PREPA") and the Financial Oversight and Management Board ("FOMB") approval process.

The Energy Bureau **GRANTS** LUMA **ten (10) days** to submit a memorandum of law supporting its February 7 Motion confidentiality request.

Regarding Exhibit 1 of the January 31 Motion (ASAP Implementation Program Plan), the Energy Bureau **GRANTS** confidential designation and treatment on the grounds of containing trade secrets, as argued by LUMA. The Energy Bureau **TAKES NOTICE** that LUMA submitted a redacted version as the public version of this exhibit, in compliance with the Energy Bureau's Policy in Management of Confidential Information.

The Energy Bureau **WARNS** LUMA that, under Art. 6.36 of Act 57-2014:⁷

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000) at the discretion of the Energy Bureau.

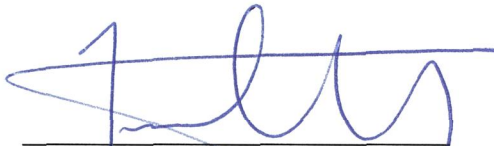
⁷ Known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



Be it notified and published.



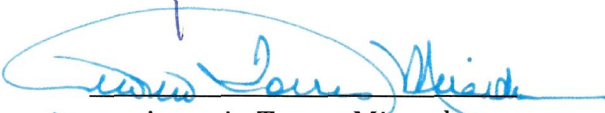
Edison Avilés Deliz
Chairman



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on February 11, 2025. I also certify that on February 11, 2025, a copy of this Resolution and Order was notified by electronic mail to RegulatoryPREBorders@lumapr.com; laura.rozas@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; arivera@gmlex.net; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on February 11, 2025.



Sonia Seda Gaztambide
Clerk

